

FISCAL IMPACT STATEMENT ON BILL NO. **S.305**

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TO:	The Honorable Harvey S. Peeler, Chairman, Senate Medical Affairs Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Kate Billing		
DATE:	January 31, 2005	SBD:	2005144

AUTHOR:	Senator Peeler	PRIMARY CODE CITE:	44-6-1110
SUBJECT:	South Carolina Medicaid Authorization Act		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

Minimal (Some additional costs expected but can be absorbed)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

This Bill codifies many activities that the Department of Health and Human Services is already performing in relation to its oversight of the Medicaid program. Among these activities are competitively procuring care services, using a Pharmacy and Therapeutics Committee to advise the agency on the Medicaid preferred Drug List, and taking steps to ensure proper reimbursement and continued control of fraud and abuse in the Medicaid program. The Bill also makes permanent a preexisting proviso.

EXPLANATION OF IMPACT:

This Bill codifies several cost savings and cost containment measures already implemented at the Department of Health and Human Services. These measures include the competitive procurement of services for high risk populations, the use of generic drugs and a Preferred Drug List (PDL), and more stringent eligibility determination procedures. Any additional administrative costs associated with reporting requirements as a result of the Bill are minimal and could be absorbed by the agency.

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:



Don Addy
Assistant Director, Office of State Budget